



SOUTHEASTERN COLORADO

Water Conservancy District

"Your investment in water"

August 19, 2019

Dear Sir or Madam,

As you are aware from the communication letter send in March 2019, the Southeastern Colorado Water Conservancy District launching a Financial Strategy and Sustainability Study to be completed at the end of 2019. This study that will help to assure the future of the Fryingpan-Arkansas Project (Fry-Ark Project), as well and District and Enterprise Projects and Programs.

The Fry-Ark Project was approved by Congress in 1962, and the Arkansas River basin has enjoyed its benefits to cities, agriculture and recreation ever since. The project provides flood control, stable flows for aquatic wildlife along with supplemental water for homes and fields. As the Project has aged, however, the need to preserve its features has become more apparent. Over the past three years, the Southeastern Board of Directors have carefully deliberated how to adequately fund the Project, as well as the activities that support the Project.

At this point in the study, our consultants JACOBS has develop several financial tools which will help the District adjust to change in an efficient way that has the least impact on District customers or program participants. The major elements that have been studied include:

1. A financial plan (10 year plan)
3. Capital Improvement and Capital Project Plan (20 year plan)
4. Revenue requirement analysis
5. Cost of service analysis
6. Rate design analysis

As many of you know, the District has discussed the possibility of increasing rates for water sales over the past few years. The cost of Project water at the District has not changed since 1998. As a result of the Financial Strategy and Sustainability Study there could be an increase in the cost of water.

We will hold a series of meetings throughout the District to inform customers of the DRAFT study findings to this point in time. The Board of Directors has not taken action regarding the

As we continue to work toward structuring the District's financial future, we are inviting you to attend one of the following short presentations provided by District staff. The presentations will

include a summary of the four Financial Strategy and Sustainability Study Workshops held between the months of May – July 2019.

Central District Area Outreach Meeting

August 27, 2019 at 10:00 a.m.

Southeastern Colorado Water Conservancy District
31717 United Ave
Pueblo, CO 81001

Lower Arkansas Valley Outreach Meeting

August 29, 2019 at 10:00 a.m.

Otero Juror College – Rizzuto Banquet Room
1802 Colorado Ave
La Junta, CO 81050

Northern District Area Outreach Meeting

September 11, 2019 at 10:00 a.m.

Fountain City Hall
116 S. Main Street
Fountain, CO 80817

Upper District Area Outreach Meeting

September 12, 2019 at 1:00 p.m.

Upper Arkansas Water Conservancy District Office
339 E. Rainbow Blvd
Salida, CO 81201

Please contact the District office with questions (719) 948-2400 or visit www.secwcd.org for ongoing information. All information regarding the Finance Strategy and Sustainability Study can be located at: <https://secwcd.org/content/finance-strategy-and-sustainability-study-progress-updates>.

Sincerely,



James W. Broderick
Executive Director